



Intelligence Report

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Moscow Advances Its Agenda in Kazakhstan

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Moscow has used its political and economic leverage to conclude a broad range of agreements with Almaty that bring Kazakhstan into closer alignment with Russia. These agreements, signed during the past year, advance Moscow's goals of ensuring Almaty's responsiveness to Russia's economic and strategic imperatives, limiting Western influence in Kazakhstan, and protecting the welfare of Kazakhstan's large ethnic Russian community--approximately 36 percent of Kazakhstan's population.

- *Russia obtained an equity share in Kazakhstan's largest natural gas and oil project; control of key strategic facilities, including the Baykonur space complex; a long-term military presence; and special rights for Russian citizens in Kazakhstan.*

Despite some impediments to a tighter alliance, principally Russia's budgetary limitations and the two states' different economic policies, ties between Russia and Kazakhstan will remain close, as Russian leaders try to use the relationship as a building block for wider economic and military integration among selected Commonwealth states.

- *Kazakhstani President Nazarbayev has resisted Russian demands on some issues, including dual citizenship and the provision of peacekeeping troops for Tajikistan. Nevertheless, Kazakhstan's leaders and most Kazakhstanis strongly support closer relations with Russia, according to a variety of reporting. Almaty's recent accommodation of many of Russia's interests and Kazakhstan's inability to develop close relations with other regional states to counterbalance Russian influence will raise Moscow's expectations of what it can get from Almaty in the future, making it difficult for Almaty to reverse course and distance itself from Moscow.*

At home, Russia's leaders must contend with the growing activism of Russian groups that do not accept Kazakhstani statehood and consider predominantly Russian northern Kazakhstan to be part of Russia. Russian officials have expressed growing concern that the deteriorating status of ethnic Russians in

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Kazakhstan will provide ammunition for the Yel'tsin government's domestic critics, and the pressures of upcoming Russian elections are likely to complicate Moscow's policies and create unwanted tensions with Kazakhstan.

- *Cossacks and Russian nationalist groups are strengthening links to their ethnic brethren in Kazakhstan and could provoke an incident in an effort to build support for their agenda among Russians in Kazakhstan and Russia, thereby creating new tensions in Russian-Kazakhstani relations.*

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Economic and Security Gains

Russia has focused its economic involvement in Kazakhstan on projects that are potentially profitable or strategically vital; otherwise, it has provided little assistance to the ailing Kazakhstani economy.

- The Russian and Kazakhstani Governments agreed in March 1994 that Russia will assume complete control and legal jurisdiction over the Baykonur space complex--an integral part of Russia's space program--and the neighboring city of Leninsk for the next 20 years with a possible 10-year extension, [REDACTED]

[REDACTED]

- Russia also has increased its influence over Kazakhstan's potentially lucrative energy sector, according to various reporting. For example, Russia obtained last December a 15-percent equity share of the Karachaganak fields, the largest natural gas and oil project in Kazakhstan, [REDACTED]

Russian officials often have used hardball tactics to elicit concessions from Almaty on these issues:

- [REDACTED] Moscow tied its cooperation with Almaty on sensitive ethnic Russian issues to Almaty's willingness to lease Baykonur on terms favorable to Russia.

[REDACTED]

[REDACTED]

[REDACTED]

In the area of security relations, Moscow also exploited Kazakhstan's dependence to ensure a long-term Russian military presence in Kazakhstan:

- The bilateral military agreements signed last January call for the joint planning, training, and use of military forces; a treaty on the joint protection of external borders and the creation of a joint border command; and cooperation in the production and standardization of military equipment, according to the press. Moscow already exerts significant influence over Kazakhstan's armed forces and defense infrastructure through Almaty's reliance on Russia for training, spare parts, officer expertise, and technical assistance. [REDACTED]

Overall, these agreements have advanced Moscow's goal of maintaining its predominant strategic position in Kazakhstan, despite Almaty's expanded network of bilateral ties with other states. [REDACTED]

- The agreement on border guard cooperation paves the way for deployment of Russian border troops on the Kazakhstani-Chinese border, which promotes Moscow's efforts to secure the CIS's outer borders against perceived external threats.
- The Russian and Kazakhstani Defense Ministers agreed to new security procedures that give Moscow ultimate control over foreign visitors' access to sensitive areas of military tracking, telemetry, and control facilities in Kazakhstan, [REDACTED]

[REDACTED]

Moreover, Moscow has maneuvered to keep Chevron out of the Caspian Pipeline Consortium (CPC) that is seeking to construct a new pipeline to carry most of the oil that is slated to be produced from the large Tengiz oilfield in Kazakhstan to foreign customers, according to various reporting. The January agreement on the

construction of the first phase of the pipeline signed by Russia, Oman, and Kazakhstan excludes Chevron, according to the press, although the CPC probably will not be able to obtain the international financing necessary to build this pipeline on its own.

Ethnic Russians: Tougher Issue To Handle

Russia's leaders have also extracted concessions from Almaty aimed at safeguarding the welfare of the 6 million ethnic Russians in Kazakhstan, but this issue is far from resolved. In recent months, Russian officials have expressed increasing concern that the deteriorating status of the Russian community in Kazakhstan will provide ammunition for the Yel'tsin government's domestic critics, as well as threaten Russian interests in Kazakhstan, according to various reporting (see charts on Kazakhstan's changing ethnic composition):

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- At a Moscow conference last fall on the Russian diaspora, the Director of Russia's Migration Service blamed the dramatic rise in Russian emigration from Kazakhstan--25,000 to 30,000 Russians per month in 1994--on growing discrimination in employment, language, and the media, according to the press. The Kazakhstani press reported a more than doubling of the net outflow of Russians from Kazakhstan in 1994, as compared with that of 1993.
- Meanwhile, Russian legislators and nationalist groups have escalated their attacks on the Russian Government's allegedly inadequate help for ethnic Russians outside Russia, according to press reports. The Duma threatened last year to take the lead on this issue when legislators advocated the creation of a special council controlled by the Duma to formulate Russia's policy toward ethnic Russians and to allocate funds to assist them.

In response to these concerns and pressures, the Russian Government has become more active in defending the interests of the Russian community in Kazakhstan:

- In an effort to slow the migration of Russian residents back to Russia, a Russian Government edict issued last August linked Russian trade credits to neighboring states' policies toward their Russian populations, targeted economic assistance to ethnic Russians, and threatened economic sanctions against Commonwealth states to improve the lot of ethnic Russians, according to press [redacted] Kazakhstan is one of the primary targets of this edict because of its large Russian community and its rapidly escalating rate of Russian emigration.
- Moscow has shifted from its previous hands-off public approach toward Kazakhstan's Cossacks, one of the largest, most unified Russian political groups in Kazakhstan, with possibly as many as 30,000 members. The Cossacks possess a broad support network in heavily Russian northern Kazakhstan as well as close links to the Kazakhstani armed forces' largely Russian officer corps, and Kazakhstani officials consider the Cossacks a major security threat. [redacted] [redacted] Last December, the Russian leadership established a Cossack Consultative Council that reports to President Yel'tsin and declared the government's readiness to negotiate with Almaty on the Cossacks' behalf. [redacted]

This more assertive tack probably contributed to Moscow's headway this year in obtaining Almaty's approval for expanded rights for the ethnic Russian community in Kazakhstan.

- The compromise citizenship agreements signed in January permit Russians in Kazakhstan who choose Russian citizenship to hold property and most jobs, to vote in local elections, and to hold local office below chief executive level, according to the press, giving ethnic Russians considerable clout in northern oblasts, where they constitute a majority. Russian citizens, however, cannot be employed in Kazakhstan's diplomatic service, security services, or internal affairs administration or serve as a judge or procurator, and Moscow backed away--at least for now--from its longstanding demand for dual citizenship for ethnic Russians in Kazakhstan.
- Nazarbayev recently announced that he might propose a referendum on giving the Russian language the same status as Kazakh--another longstanding Russian goal. [redacted]

Some Limits to Almaty's Acquiescence

The Nazarbayev Government has stood up to Moscow on issues that Nazarbayev believes his political opposition could use against him or that would entail excessive economic costs. In some cases, Nazarbayev's administration has prevented a Russian backlash by countering Russian demands with compromise proposals, while the Russian leadership's concerns about the dangers of instability in Kazakhstan have, on occasion, constrained it from bringing the full weight of its leverage to bear on Almaty.

- The Nazarbayev government has so far not allowed Russia to open consulates in the northern Kazakhstani cities of Aqmola and Ural'sk, fearing Moscow would only use them to encourage greater political activism on the part of ethnic Russians.
- The Nazarbayev government has rebuffed persistent Russian pressure to provide ethnic Russians in Kazakhstan with dual citizenship.
- Because of intense domestic criticism, Nazarbayev has declined to fulfill his country's obligations under the 1993 Minsk agreement to provide peacekeeping troops to Tajikistan. Almaty had provided a battalion of border troops under an earlier agreement, but Nazarbayev may pull them out in light of the public outcry evoked by the fatalities these troops suffered in attacks last month along the Tajik-Afghan border.

- [REDACTED]
- Kazakhstan so far has successfully resisted Russian pressure to turn over the pipelines it has promised to the CPC until financing for the whole system has been secured, despite threats from the Russian Oil Minister that Kazakhstan would lose access to current Russian oil export pipelines unless it did so.

Bilateral Alliance Part of Russia's Broader Agenda

Russian leaders are trying to use a close relationship with Kazakhstan as a building block for wider integration among selected Commonwealth states.

- [] a consensus is emerging in the government and legislature that some form of confederal union between Russia, Kazakhstan, and Belarus should be developed. In recent months, the Russian Government has focused on expanding bilateral ties with Belarus--in addition to Kazakhstan--as a steppingstone toward broader CIS economic and military integration, which currently remains limited.

For their part, Kazakhstan's leaders and most Kazakhstanis have long touted closer relations with Russia as a solution to Kazakhstan's problems, according to a variety of reporting. Almaty's efforts to develop closer ties to other Central Asian states and regional powers to counterbalance Russian influence have accomplished little, leaving Kazakhstan with few alternatives to relying on Russia:

- Russia remains Kazakhstan's largest trading partner and controls major rail and pipeline routes connecting Kazakhstan with Europe and Asia.
- Kazakhstan's industries are concentrated in northern Kazakhstan and are more closely integrated with industries in Russia than with the southern regions of Kazakhstan. Because much of the structure of the Soviet-era oil industry remains intact, oil refineries in eastern Kazakhstan rely on oil from Siberia, while Kazakhstani oil, produced in the western part of the country, is shipped to refineries in the Urals.
- President Nazarbayev is predisposed to seriously consider Moscow's concerns about the treatment of ethnic Russians in his country because they comprise about 36 percent of Kazakhstan's population.
- Kazakhstani officials also have expressed concerns about the long-term motives of leaders in China and Uzbekistan, two regional powers that border Kazakhstan, a factor that encourages Almaty to maintain its dependence on Moscow for its security needs. []

Potential Pitfalls for Russia

Moscow's efforts to rapidly bring Kazakhstan into closer alignment face some impediments. For instance, Russia's budgetary limitations probably will prevent it

from financing the unification of Kazakhstani and Russian armed forces, as called for in recently signed military agreements, or holding regular joint military exercises. Moreover, the differing policies of Russia and Kazakhstan on market reforms and fiscal and monetary matters probably will hamper economic cooperation. []

Russia's government leaders--who, according to various reports, support a stable Kazakhstan within its existing borders--also must contend with the growing activism of Russian groups that do not accept Kazakhstani statehood. The pressures of upcoming Russian elections are likely to complicate the government's policy and create unwanted tensions with Kazakhstan.

- A senior Yel'tsin adviser wrote in an article last summer that "quite influential forces" in Russia do not recognize the territorial integrity of Kazakhstan and consider northern Kazakhstan a part of Russia because it is populated predominantly by ethnic Russians. Some prominent Russian centrists, a few reformers, and several nationalist groups are trying to organize referendums in Russia and Kazakhstan on forming a political, military, and economic union that goes well beyond the closer ties envisioned by Russia's leaders, according to a variety of reporting.
- Campaigning for Russia's scheduled December legislative elections and June 1996 presidential elections already is fueling legislative opposition to the January citizenship agreements and support for a "union" referendum drive, according to press [] reporting. Konstantin Zatulin, head of the Duma's CIS Affairs committee that would review the agreements before a ratification vote, has repeatedly said he would oppose them because they do not include dual citizenship. The Duma also recently voted overwhelmingly to request that Nazarbayev make Russian the second state language in Kazakhstan, after Zatulin's committee held hearings in which he blamed rising Russian emigration from Kazakhstan on the allegedly second-class status of the Russian language, according to the press.
- Cossacks and Russian nationalist groups are strengthening links with their ethnic brethren in Kazakhstan [] and could provoke an incident in an effort to build support for their agenda among Russians in Kazakhstan and Russia, to prompt a harsh reaction from Almaty, and to force a Russian Government response. The Russian press reported rumors that the kidnapping last year of a Cossack leader in Kazakhstan, which provoked a political furor in Russia, had been staged. []

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In response to domestic pressures, Russia's leaders probably will take a tougher stance toward Almaty, particularly on ethnic Russian issues. The Russian press cited as evidence of a tougher Russian line in negotiations with other CIS governments Foreign Minister Kozyrev's recent statements on protecting the rights of ethnic Russians outside Russia and a presidential commission session on ethnic Russians.

- Russian officials also could reopen the contentious question of dual citizenship for ethnic Russians in Kazakhstan so as not to appear weak in their handling of this hot-button electoral issue.
- Moscow would come under tremendous domestic pressure to intervene, possibly with force, if significant Russian deaths occurred in any civil disturbances in Kazakhstan.



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